

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Institutional Agreements, Leases and Easements
Date: November 6, 2000

Recommended Action:

Approve the leases for the benefit of the institutions as summarized below.
(ROLL CALL VOTE)

Executive Summary:

The Iowa Code requires that agreements, leases and easements involving real property be approved by the Board of Regents by roll call vote. The leases and easements presented this month have been reviewed by the Attorney General's Office and are recommended for approval. A listing of principals is included as Attachment A to this docket memorandum.

The University of Iowa requests approval of lease agreements with:

- the Quad Cities Graduate Study Center for the University's use of space for the Social Work Education Center;
- Spencer Municipal Hospital for the University's use of space for a Child Health Specialty Clinic in Spencer, Iowa;
- CompuTerra, Solltech/Caviforce, The Patient Education Institute, and Global Search Network for their use of business incubator space in the Technology Innovation Center at the Oakdale Campus;
- MCIWorldCom for the firm's use of space in the University Water Plant which houses telecommunications transmission equipment;
- Gene Kroeger and David Tigges for the College of Nursing's use of office space in Iowa City; and
- the International Machinist Union Local Lodge, West Burlington, Iowa, for the use of space by the University Department of Occupational and Environmental Health.

The University of Iowa also requests approval to enter into easement agreements with the City of Coralville for the installation of a replacement sanitary sewer pipeline.

Iowa State University requests approval to enter into a lease agreement with the Iowa State University Research Park Corporation for the University's use of space to house the Iowa State Innovation System.

The University of Northern Iowa requests approval to renew its lease agreement with River Valley Cooperative for the University's use of space in Eldridge, Iowa, as a transmitter site for KUNI-FM.

Background and Analysis:

A. UNIVERSITY OF IOWA

1. **QUAD CITIES GRADUATE STUDY CENTER (Landlord)**—The University requests approval of an amendment to its sublease as sublessee with the Quad Cities Graduate Study Center which leases space on the Augustana College campus in Rock Island, Illinois. The sublease provides for the School of Social Work's use of 140 square feet of office space. The amendment will extend the lease for a one-year period commencing September 1, 2000, through August 31, 2001, at the rental rate of \$132.07 per month (\$11.32 per square foot, \$1,584.84 per year), which is an increase of approximately 2.6 percent over the current lease rate.

The space is used by the Social Work Education Center at the Quad Cities Graduate Center. This location is advantageous for the coordination of the practicum placement of students in the Master of Social Work program.

All other terms of the existing agreement will remain in effect including the requirement for the University to be responsible for claims arising from its use and occupancy of the space in accordance with Chapter 669 of the Iowa Code.

2. SPENCER MUNICIPAL HOSPITAL (Landlord)—The University requests approval to renew its lease as lessee with Spencer Municipal Hospital for the University's use of 698 square feet of space for a Child Health Specialty Clinic. The space will be leased at the rate of \$465 per month (\$7.99 per square foot, \$5,580 per year) for a two-year period commencing December 1, 2000, through November 30, 2002. The proposed rental rate is an increase of approximately 49.1 percent over the current lease rate.

The University has been leasing this space since 1984 at rental rates which are below market value for the Spencer area. The University has paid the current rental rate of \$5.36 per square foot since 1997. The hospital has requested the rate increase so that the rental rate will be consistent with market value. The University believes the proposed rental rate is favorable for the space.

The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Chapter 669 of the Iowa Code.

3. The University requests approval of the following lease agreements as lessor for business incubator space in the Technology Innovation Center at the Oakdale Campus. In all cases the tenants agree to indemnify, defend, and hold harmless the University as customarily required.

- a. COMPUTERRA, INC. (Tenant)—The University requests approval to renew its lease as lessor with CompuTerra, Inc., for its use of 286 square feet of space at the rate of \$202.58 per month (\$8.50 per square foot, \$2,431 per year) for a one-year period commencing [December 1, 2000, through November 30, 2001](#). This is an increase of 41.7 percent over the rate paid under the current lease agreement. The rate increase is consistent with the University's rate schedule for tenants of the Technology Innovation Center.

CompuTerra was incorporated in 1994 by two environmental engineers with the goal of developing simple and effective software solutions for business and industrial clients with a focus on governmental record-keeping and reporting requirements. The firm's core competency is in environmental, health, and safety applications.

- b. SOLLTECH/CAVIFORCE (Tenant)—The University requests approval to renew its lease as lessor with Solltech/Caviforce for its use of 694 square feet of office space at the rate of \$694 per month (\$12 per square foot, \$8,328 per year) for a one-year period commencing [December 1, 2000, through November 30, 2001](#). This is an increase of 20 percent over the rate paid under the current lease agreement.

Research conducted by Dr. David Soll and the University has led to the development of specialized computer hardware and software systems for the medical field which Solltech/Caviforce markets under exclusive rights from the University of Iowa Research Foundation.

- c. THE PATIENT EDUCATION INSTITUTE (Tenant)—The University requests approval to renew its lease as lessor with The Patient Education Institute for its use of 2,363 square feet of space (2,164 square feet of office space and 199 square feet of storage space) at the rate of \$1,869.66 per month (\$10 per square foot for the office space, \$4 per square foot for the storage space, \$22,436 per year). The renewal includes the addition of 444 square feet of office space and 70 square feet of storage space. The rate per square foot remains unchanged from the current lease agreement. The space will be leased for a one-year period commencing [December 1, 2000, through November 30, 2001](#).

The Patient Education Institute develops multimedia software for use by patients in clinical settings. The software utilizes text, graphics, animation, narration and video to educate patients on their diagnosis and treatment, as well as the benefits, risks and complications of their recommended surgical procedures. The space is used by the firm for research, product development and new business marketing.

- d. GLOBAL SEARCH NETWORK (Tenant)—The University requests approval to enter into a new lease as lessor with Global Search Network for its use of 286 square feet of office space at the rate of \$143 per month (\$6 per square foot, \$1,716 per year) for a one-year period commencing [December 1, 2000, through November 30, 2001](#).

Utilizing a new Internet search method, Global Search Network will provide an automated job search and career management tool for individuals. Through the company's web application it will search the Internet for job postings from all company sites, newspapers, recruiters, and other Internet resources. The application will automatically match open positions with customer-supplied profiles and resumes, submit information on the positions to customers, and forward resumes to the hiring company.

4. MCIWORLD.COM, INC. (Tenant)—The University requests approval of an amendment to its lease as lessor with MCIWorldCom, Inc., for its use of 333 square feet of space located in the University of Iowa Water Treatment Plant. The amendment will extend the agreement for a two-year period commencing March 1, 2001, through February 28, 2003, at the rate of \$500 per month (\$18.02 per square foot, \$6,000 per year). This is an increase of 11.1 percent over the current lease agreement.

The space is utilized by MCIWorldCom to house equipment which furnishes transmission services. The circuits carry traffic between University networks as well as traffic from long distance networks to the local telephone company.

All other terms of the agreement will remain in effect, including the requirement for the tenant to indemnify, defend, and hold harmless the University as customarily required.

5. GENE KROEGER AND DAVID TIGGES (Landlord)—The University requests approval to enter into a new lease with Gene Kroeger and David Tigges for the University's use of 2,700 square feet of office space located at 320 South Linn Street, Iowa City, Iowa. The space will be leased at the rate of \$2,250 per month (\$10 per square foot, \$27,000 per year) for a four-year period commencing December 1, 2000, through November 30, 2004.

The space will be used by College of Nursing personnel working on several federally-funded research projects and other programs of the College. The University has indicated that it is necessary to lease space to accommodate these efforts due to the severe shortage of campus office space for the College.

The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Chapter 669 of the Iowa Code.

6. INTERNATIONAL MACHINIST UNION LOCAL LODGE (Landlord)—
The University requests approval to enter into a new lease with the International Machinist Union Local Lodge for the University's use of 200 square feet of office space located in West Burlington, Iowa. The space will be leased at the rate of \$100 per month (\$6 per square foot, \$1,200 per year) for an eight-month period commencing December 1, 2000, through July 31, 2001.

The space will be used by the University's College of Public Health Department of Occupational and Environmental Health for a research survey of the Iowa Army Ammunition Plant in West Burlington. The study, which will be funded by the U. S. Department of Energy, will include the identification, collection, and interpretation of existing historical exposure assessment and medical surveillance data associated with the handling of atomic weapons by former workers in the ammunition plant. The space to be leased is located near the ammunition plant, providing a convenient site to undertake the survey with former plant employees.

The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Chapter 669 of the Iowa Code.

7. CITY OF CORALVILLE—The University requests approval to enter into permanent and temporary easement agreements with the City of Coralville. The City has requested the easements to replace a sanitary sewer pipeline which is in serious disrepair.

The replacement project will begin at the Coralville sewer plant near Coral Ridge Mall, and extend in a southeasterly direction generally along the Iowa Interstate Railroad through the University of Iowa campus to the Iowa River. The pipeline will cross University property at three locations, requiring an easement at each location. The three easement areas are located in the western area of Coralville along Highway 6; near the Hawkeye Court apartments and extending to a point southwest of the Carver-Hawkeye Arena; and in the southern perimeter of the main campus just west of the Iowa River. Completion of the pipeline installation at these locations will not disrupt University operations.

The permanent easements will consist of three strips of land approximately 20 feet wide and totaling approximately 11,000 feet in length. The temporary construction easements will provide areas immediately adjacent to the permanent easement areas for the sewer installation project.

The proposed project will benefit the University and the Iowa City/ Coralville community. The easements will be provided to the City of Coralville at no cost.

The City agrees to indemnify, defend and save the University, the Board, and the State of Iowa, harmless from damages resulting from its use of the easement areas, except that which may be due to unavoidable casualty beyond the City's control, or from which the City may be exempt under state law.

B. IOWA STATE UNIVERSITY

1. IOWA STATE UNIVERSITY RESEARCH PARK CORPORATION (Landlord)—The University requests approval to enter into a lease agreement as lessee with the Iowa State University Research Park Corporation for the University's use of 5,753 square feet of space at the ISU Research Park to house the Iowa State Innovation System (ISIS). The space will be leased at the rate of \$4,794.17 per month (\$10 per square foot, \$57,530 per year) for a four-year period commencing December 1, 2000, through December 31, 2004.

The proposed lease agreement will replace the University's existing lease for 5,999 square feet of space at the Research Park, which was approved by the Board in December 1999 for a five-year term through December 31, 2004. The new lease reduces by 246 square feet the amount of space currently leased for the ISIS. The University has indicated that the ISIS will be occupying less space in the Research Park to accommodate the expansion needs of existing tenants. The proposed rental rate per square foot is unchanged from the current lease agreement.

In addition to the base rent for the space, the University will be required to pay taxes, utility and operating costs estimated at \$4.74 per square foot per year, or \$27,269.22.

The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Chapter 669 of the Iowa Code.

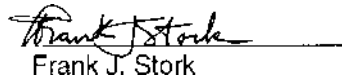
C. UNIVERSITY OF NORTHERN IOWA

1. RIVER VALLEY COOPERATIVE (Landlord)—The University requests approval to renew its lease as lessee with River Valley Cooperative, Walcott, Iowa. The University leases space on the River Valley Cooperative elevator, located in Eldridge, Iowa, as a transmitter site for KUNI-FM. The lease will be renewed for a five-year term commencing November 12, 2000, through November 11, 2005, at the rate of \$1,000 per year. This represents an increase of \$600 per year and is the first rental rate increase for the property since 1992.

The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Chapter 669 of the Iowa Code.


Sheila Lodge

Approved:


Frank J. Stork

Attachment A

Listing of Principals for Leases

November 2000

<u>Lease</u>	<u>Principals</u>
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University of Iowa

Quad Cities Graduate Study Center

Jean Plunkett, Administrator

The principal has no affiliation with the University.

CompuTerra, Inc.

Sanjay Singhvi

The principal is currently employed as a visiting assistant professor in the College of Business. In addition, the University has paid for consulting services and products from CompuTerra.

Solltech/Caviforce

David Soll, Founder/Vice President

Robert Williams, President/CEO

Zef Sunleaf, Vice President

The principals are not employed by the University. The University reports that it has made purchases of the company's products, and the company also funds contracts for research at the University.

The Patient Education Institute

Moe Ajam, Director

The principal has no affiliation with the University.

Global Search Network

Michael Termini, President

The principal has no affiliation with the University.

MCIWorldCom, Inc.

Dave Ohler, Director, Real Estate

The principal has no affiliation with the University.

Spencer Municipal Hospital

John Allen

The principal has no affiliation with the University.

320 South Linn Street, Iowa City

Gene Kroeger
David Tigges

The principals have no affiliation with the University.

International Machinist Union Local Lodge

Dan Shacklett, Treasurer

The principal has no affiliation with the University.

City of Coralville

James Fausett, Mayor

The principal has no affiliation with the University.

Iowa State University

Iowa State University Research Park

Steven T. Carter, Interim Director

Mr. Carter has received reimbursement for travel-related expenses in accordance with University procedures.

University of Northern Iowa

River Valley Cooperative

Tom Leiting

The principal has no affiliation with the University.